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April 23, 1996

Mr. Richard Metzger, Deputy Chief
Common Carrier Bureau
Federal Communications Commission
1919 "M" Street, N.W.
Washington, D.C. 20554

Re: CC Docket No. 95-116; Local Number Portability

Dear Mr. Metzger:

Pacific Bell (Pacific Bell) made a presentation to you and others in the Common Carrier Bureau on April 11, 1996, supplementing its reply comments in CC Docket No. 95-116. This letter responds to several of the points contained in the Pacific Bell presentation.

Pacific Bell characterizes its recommendation for local number portability as one of "carrier choice" (at p. 5), which it explains as permitting carriers to choose the technical solution that is compatible with their respective networks. What Pacific Bell is really asking for is the right to "choose" to treat competitive local exchange carriers' (CLECs') calls to routing that is inferior to the routing it will provide its own customers. The consequences of this "choice" are evident as Pacific Bell complains (at p. 3) that the Location Routing Number (LRN) solution provides "no ability for carriers to distinguish their products." In other words, Pacific Bell wants the opportunity, which its "choice" of solutions -- Query on Release (QOR) -- would provide, to "distinguish" its service as faster and more reliable than its competitors' service because calls to its own customers would not be forced into inefficient routing.

Pacific Bell advocates the QOR technical approach and attempts to support QOR through a variety of misstatements and misdirections. The flimsiness of its arguments in support of QOR is perhaps most evident where it attempts to refute the concerns of its competitors, under the heading "Competitors' Concerns Are Unfounded" (at p. 13). Pacific Bell's responses, taken one at a time, only underscore the gross deficiencies of its position:

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- "Competitively Neutral - Long-term number portability methods that impose massive financial burdens on particular classes of carriers are not competitively neutral."

This is not a response to competitors' numerous concerns about QOR, which include discriminatory and disadvantageous routing of CLEC calls and forcing CLEC reliance on the incumbent's network. In fact, Pacific Bell does not offer a single word in response to those concerns anywhere in the 18 page document. To the contrary, in describing how QOR works (at p. 12), Pacific Bell points out all the unnecessary network treatment applied to ported calls before Pacific Bell can claim to finally "efficiently route" the call -- something it should be doing at the beginning of the call. Pacific Bell describes first the attempt to complete the call to the assigned switch of the dialed number, and then the release back to the N-1 switch for a database query, and only at that point does Pacific Bell explain, that the "Call is then efficiently routed to the serving switch."

- "Decreased Complexity - Number portability solutions that decrease the volume of queries should be actively embraced."

The volume of queries resulting from a given solution should not be the sole determining factor in judging the suitability of a solution. The significance of a reduced number of queries must be evaluated against the trade-offs, which in the case of QOR includes subjecting competitors' calls to inferior routing, forcing CLEC reliance on the incumbent network, and increased Pacific Bell network costs.

- "Decreased Cost - It is estimated that AT&T's LRN technology could cost Pacific approximately $1 Billion over a three year period to implement."

Pacific Bell offers no support for this "estimate" and, in fact, it has no basis to support an assertion that QOR would cost any less than LRN. Pacific Bell's own estimate for LRN submitted to the California workshop (Attachment A to MCI's supplemental reply comments in this docket) includes an estimate for LRN in the amount of $148 million in fixed costs, plus $26 million in recurring costs. Furthermore, Pacific Bell provides no estimate at all for QOR. However, its estimates to the California workshop for Release-to-Pivot (RTP) (Attachment B to MCI's supplemental reply comments) show costs of $102 million in fixed costs, plus $19 million in recurring costs. This latter estimate does not take into account the significant network transit costs it would incur (e.g., for additional trunk and switching capacity) to accomplish the inefficient RTP/QOR routing. Thus, any cost advantage, if it exists at all, is likely to be negligible and would not justify implementation of disparate routing schemes.

- "Concurrent Availability - Major switch vendors plan to have Query on Release available concurrent with other triggering options."

To MCI's knowledge, no vendor has committed to any QOR development. Nor does Pacific Bell offer any affirmative information on this point.

- "Imperceptible Post Dial Delay - The Commission should require that any LNP method comply with standards regarding post-dial delay and other relevant criteria."

"Imperceptible" additional delay of CLEC calls routed via QOR is not the proper criterion for evaluating the impact of additional delay from QOR routing. As MCI knows from experience in the interexchange market, competitors can and will use "imperceptible" differences in delay to their marketing advantage.

- "QOR meets the requirements of the Telecommunications Act."

QOR does NOT meet the requirements of the Act -- ported CLEC calls will be subjected to "impairment of quality, reliability and convenience" versus Pacific Bell's calls, in contravention of the Act's requirements.

To bolster its position, Pacific Bell (at p. 10) quotes the California Department of Consumer Affairs (CDCA) as supporting a "common routing solution" (i.e., Pacific Bell's "carrier choice") with the statement that in a "truly competitive market," each provider will adopt the most efficient and cost effective trigger in order to remain competitive. CDCA's reasoning is sound as far as it goes, but it ignores the reality of the current local exchange market and the solution Pacific Bell wants to implement. The local exchange market in California (and in every other market) can hardly be described as "truly competitive. In fact, the local service market is characterized by the presence of a single, monopoly provider with virtually 100% of the customers, where competitors are just beginning to enter. In the real market, there is every reason to expect the monopoly provider to select a solution that is less cost effective than another solution, if the higher-cost solution will disadvantage its new competitors.[1] Furthermore, as discussed above, Pacific Bell's choice of triggering mechanisms only provides greater network efficiencies for calls to Pacific Bell's customers. Calls to customers of CLECs will be subjected to less efficient routing in Pacific Bell's network -- the costs and network impact of which Pacific Bell has never acknowleged or quantified.

It is apparent that Pacific Bell's responses do not alleviate a single concern of competitors. In fact, the weakness of Pacific Bell's responses only serves to underscore its desire and willingness to use the introduction of LNP as a means to significantly disadvantage its competitors. MCI urges the Commission to reject Pacific Bell's arguments, and instead to order the immediate implementation of LRN. LRN has none of the deficiencies of QOR, and it will work equally well in ALL -- incumbent and CLEC -- networks.

Sincerely,

Donald F. Evans

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[1] On the subject of interim local number portability (ILNP) measures, MCI agrees with Pacific Bell that the Commission need not consider whether Remote Call Forwarding and Direct Inward Dialing are appropriate ILNP measures -- the Act makes it clear that they can be used until a permanent solution is required by the Commission. However, the Commisson still needs to address competitively-neutral cost recovery for ILNP measures since these have not been put in place in any state except New York.